

INSTRUCTIONS
for preparation of the
ANNUAL OPERATIONS PLAN
Fiscal Year 2005



State Agencies
DEPARTMENT OF FINANCE & ADMINISTRATION
OFFICE OF BUDGET

I N D E X

ANNUAL OPERATIONS PLAN

FOR FISCAL YEAR 2005

General Instructions	1
Salary Budgets	7
Request for Additional Salaries & Personal Services Appropriation .	9
Example.....	10
Detail Plan Instructions	11
FY05 Budget Checklist	12
Annual Quarterly Worksheet Instructions.....	14
Traditional Agency Example	15
PBB Agency Example	16
Annual Funds Center Worksheet Instructions.....	17
Traditional Agency Example	18
PBB Agency Example	19
Certification of Income	20
Traditional Agency Example	21
PBB Agency Example	22
Budget Classification Transfer Request.....	23
Example.....	25
Fiscal Monitoring Instructions.....	26
Example.....	27
State Agency Publication Listing	28
Example.....	29
Fund Balance Expenditure Plan	30
Example.....	31

ALL FORMS ARE AVAILABLE ON THE DFA - OFFICE OF BUDGET WEB SITE
www.accessarkansas.org/dfa/budget

GENERAL INSTRUCTIONS FOR PREPARATION OF THE ANNUAL OPERATIONS PLAN FOR FISCAL YEAR 2005

In order to implement provisions of the General Accounting and Budgetary Procedures Act (Arkansas Code Annotated §19-4-101 et. seq.) the following procedures must be followed:

All agencies must submit an Annual Operations Plan (A.C.A. §19-4-607) by **May 14, 2004**, supported by the required forms (Director approval letter, Annual Funds Center Totals by Cost Center, Annual Funds Center Worksheet, Annual Quarterly Worksheet, Income Certification(s), and Salary Projection Report) to the Department of Finance and Administration, Office of Budget. The approved program will be entered into the Arkansas Administrative Statewide Information System (AASIS).

For those agencies funded from the Educational Excellence Trust Fund and the Workforce 2000 Fund, distribution of funds may change after initial budgets are established effective July 1, 2004 pursuant to A.C.A. §6-5-301. These agencies should spend funds cautiously until final funding levels are determined.

Act 108 of the 2nd Extraordinary Session of 2003 established the Educational Adequacy Fund. The procedures for the use of these funds, which are available only to the Department of Education, will be established by the Chief Fiscal Officer of the State.

Act 1022 of 2003 revises the annual fiscal process for all agencies funded from the State Central Services Fund and the Constitutional Officers Fund. Agencies funded from the State Central Services Fund are required to estimate their expenditures and commitments for the upcoming fiscal year.

Act 55 of the 1st Extraordinary Session of 2003 amended the Arkansas Revenue Stabilization Law and established the Miscellaneous Agencies Fund. The act outlines a formula for the Chief Fiscal Officer of the State to use in determining funding allocations for agencies operating from the fund. The budget analyst will provide the funding level available during the Annual Operations Plan process.

A.C.A. §19-4-606 (7) requires Performance Budgeting and Accountability agencies to submit a semiannual and final progress report to the Legislative Council and the appropriate interim committees. Agencies will receive separate instructions from the DFA-Office of Budget to complete the progress reports.

These instructions and forms are available on the DFA - Office of Budget web site at:

www.accessarkansas.org/dfa/budget

The following laws require special attention when preparing the fiscal year 2005 Annual Operations Plan:

- A.C.A. §19-5-206 requires a 1.5% charge against certain agencies from cash funds as defined under A. C. A. §19-4-801.
- A.C.A. §25-16-903 through A.C.A. §25-16-905 provides authorization and restrictions regarding stipends and expense reimbursements for members of Boards and Commissions.
- A.C.A. §21-12-502 requires notification by agencies to the Legislative Council and to the DFA - Office of Personnel Management of plans to implement layoffs of state employees due to privatization of programs.
- A.C.A. §21-4-501 allows for the payment of accrued sick leave for retiring employees. While it is difficult to budget for this unknown event, agencies are cautioned about the fiscal impact of this legislation.
- A.C.A. §19-4-2201 requires Legislative Council or Joint Budget Committee review of certain discretionary grants awarded by state agencies.
- A.C.A. §24-2-701(C)(3) allows the Board of Trustees of the Arkansas Retirement System to establish employer contributions each year. The state employees retirement rate has been set at 11.09% for fiscal year 2005.

DEFINITIONS

- **ANNUAL OPERATIONS PLAN:** A program prepared by an agency containing the proposed expenditures and anticipated resources for the ensuing fiscal year as required by A.C.A. §19-4-607.
- **FUNDS CENTER:** An appropriation granted by the General Assembly to make expenditures and incur obligations, **IF FUNDS ARE AVAILABLE**, for specific purposes.
- **SUB FUNDS CENTER:** The level at which PBB agencies enter budgets on each objective into the system.
- **BLOCKED:** The portion of an appropriation, which cannot be budgeted by an agency due to insufficient revenue or other budgetary restraints. Also referred to as deferment.
- **CARRY FORWARD APPROPRIATION:** As permitted by law, specific appropriated amounts authorized to carry forward from one fiscal year to another to make expenditures and incur obligations, **IF FUNDS ARE AVAILABLE**, for specific purposes.

INFORMATION TECHNOLOGY PLANS

A.C.A. §25-33-101 et. seq. outlines the duties of the Executive Chief Information Officer for the State of Arkansas as well as a CIO Council to address the information technology needs of the State.

Budgets for Fiscal Year 2005 should be developed compliant with the agency's technology plan. Any assistance with these requirements may be addressed through the Office of Information Technology or the DFA-Office of Budget.

ANNUAL OPERATIONS PLAN

All agencies will utilize the Performance Budgeting and Accountability System (PBAS) to prepare their Annual Operations Plan. PBAS is an automated system designed to enable agencies to develop a budget according to the General Accounting and Budgetary Procedures Law. Agency personnel have been trained on the system and on the reports necessary to fulfill the requirements of the Annual Operations Plan. Agencies that do not have system access to PBAS will coordinate entry of their plan data with the Office of Budget Analyst assigned to assist the agency.

The Office of Budget requires a letter signed by the Agency Director indicating knowledge and approval of the final Annual Operations Plan.

The Salary Projection process is a component of PBAS and is designed to allow agencies online flexibility for changing information relating to positions. Personal Services Matching is automatically calculated for corresponding salary data and posted to the correct cost element, cost center, funds center and fund.

NOTE: A.C.A §21-5-414 requires a monthly contribution to the State Employees Insurance program based on the number of positions budgeted within a funds center. The Personal Services Matching commitment item has been automated to calculate insurance amounts. Agencies are cautioned against changing this automated calculation as it could result in insufficient funding to pay insurance vouchers while remaining responsible for this obligation. The agency contribution for Fiscal Year 2005 will be \$280 per month for each budgeted position.

The Office of Budget requires a letter signed by the Agency Fiscal Officer explaining why positions have been budgeted for less than 12 months.

Reporting is also done through the Performance Budgeting and Accountability System. Agencies can view reports online or may generate paper copies of reports as required. One copy of the required budget reports routed to the Office of Budget, with other required documents, signifies completion of the Annual Operations Plan. The Office of Budget will review and approve final forms and forward the documents to the Office of Accounting for final processing. The AASIS Support Center has prepared tutorials for agencies to use to produce reports. Analysts in the Office of Budget are available to advise and assist as necessary.

Agencies that do not have system access to PBAS will coordinate budget development with the Budget Analyst that is assigned to the agency.

The final Annual Operations Plan will be copied (retracted) to the Arkansas Administrative Statewide Information System (AASIS) in a detail plan for Fiscal Year 2005 and integrated into the AASIS data for implementation of the FY05 budget.

PREPARATION OF QUARTERLY ALLOTMENTS

The Office of Budget will advise each agency of its General Revenue funding level. The agency determines the amount of any Special or Other Revenues to be received for the 2005 Fiscal Year and prepares quarterly budget allotments that correspond to availability of funding. Quarterly Allotments must be based on the financial requirements for the

agency's spending for the fiscal year and may not exceed available funding. **Budgeted amounts may not exceed anticipated revenues as indicated on the Certification of Income Form. Completion of Certification of Income Forms is required for all budgeted appropriations, including General Revenue funded appropriations.** Further, Certifications of Income must include funding for "estimated" Carry Forward balances of appropriation as may be authorized by law.

ADMINISTRATION OF ANNUAL OPERATIONS PLANS

Any time during the fiscal year that changes to the Annual Operations Plan result in an increase or decrease in the appropriation and/or funding allocated for expenditure, corresponding adjustments to the Annual Operations Plan must be made in the detail plan in AASIS. Revised Certifications of Income must be submitted as changes occur to accurately reflect income and operating budget totals.

ADMINISTRATION OF PAY PLAN

The Regular Salaries and Personal Services Matching budget should be based on the Salary Projection Report. Report totals should correspond to monthly amounts in PBAS. Numbers of positions budgeted may not exceed the Personnel CAP restriction established for each agency. **Requests for CAP increases should be submitted to the Office of Budget no later than April 30, 2004, to provide sufficient time for review prior to completion of the Salary Projection Report.** Approval of increases to CAP levels will only be considered upon presentation of strong justification.

Merit Adjustment Funds may be certified initially during Fiscal Year 2005 to the extent of the maximum available as provided by the Office of Budget. The Certification of Income Form will document this allocation. Funding of the pay plan, Career Service Recognition Payments and the Career Ladder Incentive Program (CLIP) will be provided first through salary savings within an agency or through resource reallocations within an agency. Merit Adjustment Funds will only be provided in the fourth quarter of the fiscal year, and only if salary savings or resource reallocations are not sufficient to cover the costs of the pay plan, Career Service Recognition Payments and/or the CLIP. Merit Adjustment Funds are only available to General Revenue funded agencies.

If agencies require additional appropriation to implement these payments, or for other personnel related actions, the Request for Salary/Personal Services Matching form must be submitted.

REQUIRED DOCUMENTS

The following original forms with signatures must be submitted with the Annual Operations Plan:

- Director approval letter. A letter signed by the Agency Director indicating knowledge and approval of the final Annual Operations Plan.
- Letter from Agency Fiscal Officer explaining why positions have been budgeted for less than 12 months.
- Certification(s) of Income (Report printed from PBAS and signed)
- Budget Classification Transfers (If applicable)
- Fiscal Monitoring Procedures (Report printed from PBAS and signed)
- Fund Balance Expenditure Plan (If applicable – requires signature)

The following forms must also be submitted with the Annual Operations Plan. These forms do not require signatures.

- Request for additional Salary/Personal Services Appropriation (If applicable)
- State Agency Publications (Report printed from PBAS)

The following final reports must also be submitted with the Annual Operations Plan:

- Annual Salary Projection
- Career Service Projection
- Annual Commitment Item Summary
- Annual Funds Center Totals by Cost Center
- Annual Funds Center Worksheet
- Annual Quarterly Worksheet

PLEASE NOTE: When preparing the Fiscal Year 2005 Annual Operations Plan, attention should be paid to the Governor's Executive Order 98-04 (and Act 34 of 1999) requiring state agencies to publicly disclose when they do business with statewide constitutional officers, legislators, state employees or their immediate family members. The Department of Finance & Administration, Office of Internal Audit (682-0370) may be contacted for further information on the implementation of this Executive Order.

SUGGESTION: Prior to making changes in PBAS to positions and operating data, print out the Salary Projection, Career Service and Annual Funds Center Total by Cost Center/WBS Element reports. Mark-up these reports with any changes that need to be made and then log-on to PBAS and enter the changes. The Funds Center Worksheet report can be viewed online or printed to compare authorized vs plan at the commitment item level. Agencies that do not have system access to PBAS will coordinate entry of their plan data with the Office of Budget Analyst assigned to assist the agency.

SALARY BUDGETS

The Annual Salary Projection Report is provided by the Office of Budget to assist agencies in budgeting salary dollars for Fiscal Year 2005. The final version of this report must be returned to the Office of Budget with the Annual Operations Plan.

The Annual Salary Projection Report is in accordance with the pay plan implementation policy of the Chief Fiscal Officer of the State (A.C.A. §21-5-202 et. seq.). The following conditions are reflected in the Report:

- This report is based on payroll information as of March 29, 2004 for positions authorized for Fiscal Year 2005. The report reflects the pay schedule contained in Act 22 of the 1st Extraordinary Session of 2003.
- The graduated pay plan increase effective July 1, 2004 has been provided for classified positions based on Act 22.
- Salaries for non-classified positions reflect the maximum amount in the agency's 2003 appropriation act.
- The salary for vacant classified positions is calculated at Pay Level 1 of the Fiscal Year 2005 pay schedule in Act 22. Vacant unclassified positions reflect the maximum amount in the agency's 2003 appropriation act.
- The graduated pay plan increase cannot result in a salary exceeding Pay Level 4 as provided in Act 22. However, amounts above Level 4 will be paid as a lump sum at the end of the FY05 fiscal year in accordance with provisions of Act 22. These lump sum payments are not included in the Annual Salary Projection Report but can be added to the Non HR Position Screen by using cost element 5010002020.
- Used Class Code reflects the Class/Grade that the employee is currently being paid. Authorized Class Code and Pay Grade is the Class/Grade cited in the Agency's 2003 Appropriation Act or in the Uniform Classification and Compensation Act (Act 923 of 2003).
- Maximum Hourly Rate is the employee's hourly rate of pay as of March 29, 2004. New Hourly Rate is the hourly rate of pay the employee will be eligible for on July 1, 2004.
- Positions that are designated as Career Ladder Incentive Program (CLIP) positions are reflected with YES in the CLIP field. No adjustments have been made to salary levels for CLIP positions.
- Certain positions are eligible for Career Ladder Incentive Program Bonus Awards up to 8.0% of salary in accordance with A.C.A §21-5-1101, as amended. At the end of each fiscal year, the bonus percentage is determined by the Chief Fiscal Officer of the State. CLIP Bonus payments are not reflected in the Annual Salary Projection Report.

Funding for positions affected through the CLIP Program is to be provided through salary savings and/or reallocation of resources. **Only after both of these resources are exhausted will consideration for funding from the Merit Adjustment Fund (for General Revenue Funds only) be reviewed by the Department of Finance and Administration - Office of Budget. Salary budgets prepared for Fiscal Year 2005 should not anticipate receiving Merit Adjustment Funds for implementation of the CLIP Program until such time as salary savings can be determined in the fourth quarter of the fiscal year.**

- Extra Help positions are not included in the Annual Salary Projection Report.

PERSONNEL CAP RESTRICTIONS

Agencies operating within the Executive Branch will not be allowed to budget more positions than they are authorized by the Personnel CAP Restriction Policy. CAP levels have been established for this purpose.

CAP levels reflect the maximum number of positions an agency anticipates having filled at any one time during the Fiscal Year. Annual Operations Plans should be prepared according to agency needs. Agencies may request an increase in the CAP level by submitting a letter including a **strong** justification to the Administrator of the Office of Budget. **Agencies should submit this request no later than April 30, 2004 in order for a CAP level to be established PRIOR to the deadline for submission of the Annual Operations Plan.**

CAREER SERVICE RECOGNITION PAYMENTS

State Employees with more than ten (10) years service in State Government are eligible for a Career Service Recognition Payment as authorized by A.C.A. §21-5-106, up to a maximum of \$600.00 for more than twenty-five (25) years service.

The cost of Career Service Recognition Payments has not been included in the Annual Salary Projection Report. However, the Office of Budget has produced a separate Career Service Report. This report is in accordance with the career service implementation policy of the Chief Fiscal Officer of the State (A.C.A. §21-5-106). This report will be produced before salaries are distributed and will reflect the career service payment amount in the month it is due. When Regular Salaries are distributed, the Career Service amounts are also distributed. **The Career Service amount has been loaded in Commitment Item 5010000 (Regular Salaries) and Cost Element 5010001010. Corresponding matching amounts have been calculated for Career Service payments.**

REQUEST FOR ADDITIONAL SALARY AND/OR PERSONAL SERVICES APPROPRIATION

Act 50 of the 1st Extraordinary Session of 2003 provides supplemental appropriation for state agencies for Career Service Recognition Payments. Agencies may request additional appropriation for Career Service Recognition Payments for Regular Salaries and Personal Services Matching line items as evidenced by their Annual Operations Plan.

Act 50 of the 1st Extraordinary Session of 2003 provides supplemental appropriation to address unforeseen appropriation needs of state agencies in administering the personnel actions of the 84th General Assembly. Agencies will use the Request for Salary and Personal Services Matching Appropriation to request additional appropriation for Regular Salaries and Personal Services Matching line items for these and other applicable items.

NOTE: Generally, the additional appropriation authorized by the above provisions will not be transferred to “current” allotment until the 4th Quarter and then only after appropriation resulting from salary and match savings has been evaluated to determine actual needs.

**REQUEST FOR SALARY and/or
PERSONAL SERVICES MATCHING APPROPRIATION
Fiscal Year 2005**

Agency_____

<u>Fund</u>	<u>Funds Center</u>	<u>Commitment Item</u>	<u>Additional Appropriation</u>
-------------	---------------------	------------------------	-------------------------------------

Reason for requested increase:

Revised 4/04

Agency No. _____

DETAIL PLAN INSTRUCTIONS

GENERAL INFORMATION

All agencies, (except the Highway and Transportation Department, Game and Fish Commission, Constitutional Offices with appropriations included in the General Appropriation Bill, and Institutions of Higher Education), **must** prepare and submit detail plans (budgets) as a part of their Annual Operations Plan. Minimum requirements are that detail plans must be prepared for all treasury and cash appropriations by commitment item, except construction, at the cost center level. (**Amounts are reflected in whole dollars.**)

DETAIL PLANS MUST BE SUBMITTED TO THE OFFICE OF BUDGET BY MAY 14, 2004.

The Office of Budget will assist agencies in preparation of detail plans as necessary. Except for the agencies mentioned above, all agencies will be using the Performance Budgeting and Accountability System (PBAS). Agencies that do not have system access to PBAS will coordinate entry of their plan data with the Office of Budget Analyst assigned to the agency.

Prior to submitting final documents, agencies are encouraged to review the Fiscal Year 2005 Annual Operations Plan Checklist on pages 12 and 13 of this document. This year is a biennial budget preparation year. Submission of the AOP after May 14, 2004 will jeopardize a timely submission of the agency's biennial budget request. Inquiries should be directed to the Office of Budget, at 682-1941.

PREPARATION OF THE DETAIL PLAN

Initially, the Detail Plan that has been loaded into the PBAS budget system represents the agency biennial budget for FY05 for non-personnel items. Amounts have been extracted from the Biennial SEM-BPS budget system for cost centers, funds, funds centers, commitment items, and cost elements. Personnel and position data was extracted from AASIS as of March 29, 2004.

ANNUAL OPERATIONS PLAN CHECKLIST FISCAL YEAR 2005

IMPORTANT DATES:

March 29, 2004	Personnel information extracted from AASIS
April 12, 2004	Annual Operations Plan Packets distributed to Agencies
April 30, 2004	Requests for changes in Personnel CAP due to the Office of Budget
May 14, 2004	Final Annual Operations Plan due to the Office of Budget
May 17, 2004	PEER Items submitted to the Office of Budget for presentation to the June PEER meeting of Legislative Council
July 1, 2004	Start of Fiscal Year 2005

AGENCY ANNUAL OPERATIONS PLAN COMPONENTS: (Required)

- Salary Projection Report
- Career Service Projection Report
- Annual Quarterly Worksheet
- Annual Funds Center Worksheet
- Annual Funds Center Totals by Cost Center
- Annual Commitment Item Summary
- Agency Director Approval Letter (Requires signature)
- Letter from Agency Fiscal Officer explaining why positions have been budgeted for less than 12 months (Requires signature)
- Certification of Income Reports (Requires signature) for all funds centers including those funded by general revenue, equal to or greater than the AOP budget (including certification for funds centers with Carry Forward Authority)
- Fiscal Monitoring Report (Requires signature)
- Budget Classification Transfer forms needed to bring appropriation up to budgeted levels (If applicable)
- Forms requesting additional Salary and/or Personal Services Matching appropriation (If applicable)
- Agency Publication Listing Report
- Fund Balance Expenditure Report (If applicable - requires signature)

SALARY PROJECTION REPORT:

- Total number of budgeted positions does not exceed CAP or limits established by Special Language.
- Total number of budgeted positions is reflected in insurance amounts.
- Budgeted amounts (Cost Element 5010001000) correspond to Salary Projection totals.
- Career Service Recognition Payments are budgeted separately (Cost element 5010001010).
- Lump Sum Payments may be budgeted separately (Cost element 5010002020).
- Total salary budget is within funding guidelines.
- Letter signed by the Agency Fiscal Officer explaining why positions have been budgeted for less than 12 months.

DETAIL BUDGETS:

- Fiscal year totals for traditional budget agencies should not exceed amounts authorized in agency acts unless accompanied by a Budget Classification Transfer request, a Miscellaneous Federal Grant request, Cash Increase Request or a Request for Additional Salary and/or Personal Services Matching Appropriation.
- Fiscal year totals for PBB agencies should not exceed amounts authorized in agency acts unless accompanied by a Miscellaneous Federal Grant request.
- Appropriations funded from General Revenues/Miscellaneous Agencies Fund should be distributed on a quarterly basis and should not exceed anticipated funding distribution and Income Certifications.
- The 1.5% Service Charge for Cash Funds as required by A.C.A. §19-5-206 is budgeted.

INSTRUCTIONS FOR COMPLETING THE ANNUAL QUARTERLY WORKSHEET

All agencies (Excluding Highway and Transportation Department, Game and Fish Commission, Constitutional Offices, Institutions of Higher Education, Retirement Systems, and Cash Funded Boards and Commissions) **MUST USE THE ALLOTMENT PROCESS.**

The Annual Quarterly Worksheet will be produced automatically by the PBAS, and all totals from the system will post by quarter to the Funds Center/Fund/Commitment Item in which a budget was entered. If required, adjustments will be made through the Agency Validation process by the Office of Budget.

(For Example: If a traditional budget agency requests a Budget Classification Transfer from Operating Expenses to Capital Outlay, the detail budget would reflect the budget as if the transfer was approved. These amounts post upward to the Annual Quarterly Worksheet. This transfer causes the budget to exceed the authorized appropriation for Capital Outlay. Through the Agency Validation process, the amount for Capital Outlay would be reduced to the authorized amount.

If a PBB Agency requests additional appropriation through the Miscellaneous Federal Grant process, the detail budget would reflect the budget as if the additional appropriation were approved. These amounts post upward to the Annual Quarterly Worksheet. This additional appropriation causes the budget to exceed the authorized appropriation. Through the Agency Validation process, the amount would be reduced to the authorized amount of the PBB Program.)

The following pages are examples of Annual Quarterly Worksheet reports produced from PBAS for a traditional agency as well as a PBB agency.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM

Annual Quarterly Worksheet

Fiscal Year 2005
 Business Area Title SCHOOL FOR THE BLIND
 Business Area Code 0510
 Funds Center Title Blind School-Federal Operations
 Funds Center Code 077
 Commitment Item title Regular Salaries
 Commitment Item Code 5010000
 Version 1A

Fund Center		Commitment Item		Total	Authorized	Blocked
077	Blind School-Federal Operations	5010000	Regular Salaries	495,204.00	653,175.00	157,971.00

Fund	Fund Title	1st Qtr Allotment	2nd Qtr Allotment	3rd Qtr Allotment	4th Qtr Allotment	Total Allotment
FEC0200	Blnd Sch-Area Srv-PS	355,135.00	0.00	0.00	0.00	355,135.00
FEC0400	Blind Sch-Chapter II	0.00	0.00	0.00	0.00	0.00
FEC0600	Bld Sch-6B Pass-Through	43,051.00	0.00	0.00	0.00	43,051.00
FEC1000	Fed Deaf/Blind Operating	97,018.00	0.00	0.00	0.00	97,018.00
	Grand Total	495,204.00	0.00	0.00	0.00	495,204.00

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**Annual Quarterly Worksheet**

Fiscal Year 2005
 Business Area Title DISABILITY DETERMINATION
 Business Area Code 0311
 Funds Center Title DDSSA-Admin,Admin-Objective 1
 Funds Center Code 0311P01,00CV
 Commitment Item Title Regular Salaries
 Commitment Item Code 5010000
 Version 1A

Fund Center		Commitment Item		Total	Authorized	Blocked
0311P01	DDSSA-Admin	5010000	Regular Salaries	0.00	0.00	0.00

Fund	Fund Title	1st Qtr Allotment	2nd Qtr Allotment	3rd Qtr Allotment	4th Qtr Allotment	Total Allotment
FSD0100	DDS-Oprs	925,400.00	0.00	0.00	0.00	925,400.00
	Grand Total	925,400.00	0.00	0.00	0.00	925,400.00

INSTRUCTIONS FOR COMPLETING THE ANNUAL FUNDS CENTER WORKSHEET

The Annual Funds Center Worksheet is a summary of authorized appropriation amounts, blocked amounts and budget by Commitment Item for each funds center authorized for an agency. If an agency allocates its appropriation, the quarterly totals will equal those amounts entered on the Annual Quarterly Worksheet through an automatic posting to the Annual Funds Center Worksheet. **EVEN THOUGH THIS PROCESS IS AUTOMATED, AGENCIES ARE ENCOURAGED TO CHECK ALL AMOUNTS FOR ACCURACY.**

QUARTERLY ALLOTMENT - This is the budget by Commitment Item needed to meet quarterly requirements. The purchase of capital items should be scheduled for the quarter following the greatest revenue collection. Agencies supported by General Revenues should budget capital expenditures during the fourth quarter. Also, agencies using commitments should allot funds in the quarter that the commitment is made instead of the quarter of actual expenditure.

The sum of the quarterly allotments by Commitment Item, plus the blocked amount, will equal the total Commitment Item amount authorized. **All cash and federal appropriations will be budgeted in the first quarter.**

COMMITMENT ITEM 599:99:99 – This is a special commitment item established exclusively for PBB agencies.

BLOCKED – This amount will automatically calculate by Commitment Item the amount of appropriation not budgeted for FY05.

The following pages are examples of Annual Funds Center Worksheet reports produced from PBAS for a traditional budget agency and a PBB agency.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**Funds Center Worksheet**

Fiscal Year 2005
 Business Area Title SCHOOL FOR THE BLIND
 Business Area 0510
 Funds Center Title Blind School-Federal Operations
 Funds Center Code 077
 Fund Title Blind Sch Fed,Blnd Sch-Area Srv-PS,Carl Perkins,Blind Sch-Chapter II,Bld Sch-6B Pass-Through,Fed Deaf/Blind Operating
 Fund FEC0000,FEC0200,FEC0300,FEC0400,FEC0600,FEC1000
 Version 1A

Authorization	Commitment Item	Authorized	Blocked	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Act 639 OF 03	Regular Salaries 5010000	653,175.00	157,971.00	495,204.00	0.00	0.00	0.00	495,204.00
	Extra Help 5010001	15,000.00	15,000.00	0.00	0.00	0.00	0.00	0.00
	Personal Serv Match 5010003	183,939.00	3.00	183,936.00	0.00	0.00	0.00	183,936.00
	Operating Expenses 5020002	161,050.00	0.00	161,050.00	0.00	0.00	0.00	161,050.00
	Travel-Conferences 5050009	53,382.00	0.00	53,382.00	0.00	0.00	0.00	53,382.00
	Prof. Fees & Serv. 5060010	116,432.00	0.00	116,432.00	0.00	0.00	0.00	116,432.00
	Capital Outlay 5120011	100,000.00	0.00	100,000.00	0.00	0.00	0.00	100,000.00
	Total	1,282,978.00	172,974.00	1,110,004.00	0.00	0.00	0.00	1,110,004.00

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**Funds Center Worksheet**

Fiscal Year 2005
 Business Area Title DISABILITY DETERMINATION
 Business Area 0311
 Funds Center Title DDSSA-Admin,Admin-Objective 1
 Funds Center Code 0311P01,00CV
 Fund Title DDS-Oprs
 Fund FSD0100
 Version 1A

Authorization	Commitment Item	Authorized	Blocked	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Act 149 of 2003 (Sect 3)	PBB Hierarchy 5999999	3,062,580.00	196,976.00	0.00	0.00	0.00	0.00	0.00
	Regular Salaries 5010000	0.00	0.00	925,400.00	0.00	0.00	0.00	925,400.00
	Extra Help 5010001	0.00	0.00	223,520.00	0.00	0.00	0.00	223,520.00
	Personal Serv Match 5010003	0.00	0.00	248,360.00	0.00	0.00	0.00	248,360.00
	Operating Expenses 5020002	0.00	0.00	1,408,324.00	0.00	0.00	0.00	1,408,324.00
	Travel-Conferences 5050009	0.00	0.00	60,000.00	0.00	0.00	0.00	60,000.00
	Total	3,062,580.00	196,976.00	2,865,604.00	0.00	0.00	0.00	2,865,604.00

CERTIFICATION OF INCOME

The Office of Budget maintains a record of certified funding sources for agency appropriations. Agencies must submit a Certification of Income Report (example attached) for appropriations funded from all sources **including General Revenue**. This certification is used as the basis for preparation of the Annual Operations Plan, with appropriation budgeted only if there is sufficient revenue anticipated to fund expenditures.

The Certification of Income Form includes language that indicates the significance of the information provided by the Agency. **The Operating Budget Total box on the Form reflects the actual operating budget for each corresponding funds center so that funding equals or exceeds the AOP budgeted amounts.** Any changes made to funding or available appropriation subsequent to the original Annual Operations Plan **requires** submission of a revised Certification of Income form to insure deficit spending does not occur. **Appropriations must remain blocked to the extent they exceed certified income and/or available revenue.**

The initial Certification of Income Form has been automated in PBAS. Agencies that do not have system access to PBAS will coordinate entry of estimated amounts of income with the Office of Budget Analyst assigned to assist the agency. Agencies must print the report from PBAS, sign and submit with Annual Operations Plan.

CARRY FORWARD AUTHORITY

Where law permits, estimated funding to be carried forward on June 30 to the new fiscal year and included in the Annual Operations Plan must be included in Certifications of Income. The actual Carry Forward amounts will be verified by the Office of Budget and processed during the first week of the new Fiscal Year. The Agency **must** submit amended Certifications of Income to reflect the actual amount of carry forward funding as soon as possible after the beginning of the fiscal year.

FISCAL YEAR REVISIONS

Agencies may revise Certifications of Income at any time during the fiscal year to facilitate program commitments or increase/decrease revenue projections and resulting financial obligations of the agency. Revisions require corresponding adjustment to the organizational budget recorded in the Arkansas Administrative Statewide Information System (AASIS). **The Agency Director and Agency Fiscal Officer are responsible for the amounts budgeted and certified and therefore, are required to sign all Certification of Income Forms. Certification of Income Forms for revisions during the fiscal year can be obtained from the Office of Budget website.**

CERTIFICATION OF INCOME

2005 FISCAL YEAR

BUSINESS AREA 0510 SCHOOL FOR THE BLIND
FUNDS CENTER TITLE 077 Blind School-Fed Operations
FUND TITLE FEC Blind School Federal

We have reviewed and certify that our agency expects to receive the anticipated revenues reflected herein to fund this appropriation. The agency will monitor these funds during the course of the year and if at any time it appears that these funds will not be received or additional funds become available, we will file an amended form and make appropriate budgetary adjustments.

In the following section Please detail by funding source the revenue components your agency expects to receive. If there are multiple sources for any category, please attach a worksheet that details each separate revenue source.

Funding Sources	Description	Estimated Amount
Fund Balance		
Special Revenues		
Federal Revenues	Carl Perkins; Pass-Through Federal Dollars	1,450,000
Revolving Funds		
Cash Funds		
General Revenue(*)		
Merit Adjustment(**)		
Other	Fees for School Activities	50,000
Total Funding		1,500,000
Annual Operations Plan		1,110,004

19-1-611. Civil penalty. If the public officer or employee is found by the court to have knowingly violated the fiscal responsibility and management laws, the court shall impose a civil penalty upon the public officer or employee of not less than one hundred dollars (\$100), nor more than one thousand dollars (\$1,000), for each violation, and may subject the public officer or employee to the payment of damages resulting as a direct consequence of any violation.

AGENCY FISCAL OFFICER	DATE
AGENCY DIRECTOR	DATE

(*)General Revenue Funding in accordance with the Official Revenue Forecast of Net Available General Revenue for Distribution

(**)Merit Adjustment Funding will be Available in 4th quarter only if salary savings are insufficient to cover allocations

CERTIFICATION OF INCOME

2005 FISCAL YEAR

BUSINESS AREA TITLE 0311 DISABILITY DETERMINATION

FUNDS CENTER TITLE 0311P01 DDSSA-Admin

FUND TITLE FSD DDS-Operations

We have reviewed and certify that our agency expects to receive the anticipated revenues reflected herein to fund this appropriation. The agency will monitor these funds during the course of the year and if at any time it appears that these funds will not be received or additional funds become available, we will file an amended form and make appropriate budgetary adjustments.

In the following section Please detail by funding source the revenue components your agency expects to receive. If there are multiple sources for any category, please attach a worksheet that details each separate revenue source.

Funding Sources	Description	Estimated Amount
Fund Balance		
Special Revenues		
Federal Revenues	DDSSA Federal Grant	4,200,000
Revolving Funds		
Cash Funds		
General Revenue(*)		
Merit Adjustment(**)		
Other		
Total Funding		4,200,000
Annual Operations Plan		2,958,453

19-1-611. Civil penalty. If the public officer or employee is found by the court to have knowingly violated the fiscal responsibility and management laws, the court shall impose a civil penalty upon the public officer or employee of not less than one hundred dollars (\$100), nor more than one thousand dollars (\$1,000), for each violation, and may subject the public officer or employee to the payment of damages resulting as a direct consequence of any violation.

_____ AGENCY FISCAL OFFICER	_____ DATE
_____ AGENCY DIRECTOR	_____ DATE

(*)General Revenue Funding in accordance with the Official Revenue Forecast of Net Available General Revenue for Distribution

(**)Merit Adjustment Funding will be Available in 4th quarter only if salary savings are insufficient to cover allocations

BUDGET CLASSIFICATION TRANSFERS

The Maintenance and General Operation (M&O) line item is divided into five (5) classifications as discussed below. A.C.A. §19-4-522 allows transfers between certain classifications within Maintenance and General Operation. Agencies may request a modification in the various M&O characters as long as the total authorized appropriation is not exceeded. **However, no transfer shall be made from Capital Outlay or Data Processing unless specific authority for such transfer is provided by law.**

Agencies are required to submit transfer requests to the Legislative PEER Committee for review when EACH Maintenance and General Operation commitment item is affected by the 5% or \$2,500 transfer limit within a fiscal year. The Office of Budget will assist agencies in determining if a Budget Classification Transfer must be reviewed by the PEER Committee. **A THOUGHTFUL AND CAREFUL REVIEW OF THE AGENCY'S NEEDS DURING DEVELOPMENT OF THE ANNUAL OPERATIONS PLAN SHOULD MINIMIZE THE NEED FOR SUBMITTING TRANSFER REQUESTS DURING THE 2005 FISCAL YEAR.** However, if a transfer is needed anytime after July 1, 2004, contact the Office of Budget at 682-1941 to determine the monthly deadline for submitting requests for PEER Committee consideration.

The following briefly identifies some restrictions for the various Classifications:

- **OPERATING EXPENSE:** (Commitment Item 502:00:02) Includes postage, telephone, printing, motor vehicle expenses, repairs, maintenance contracts, utilities, insurance, supplies, equipment not capitalized, travel, subsistence, meals, lodging, transportation of State employees, officials, and non-state employees traveling on official business. **All costs associated with meetings and travel for board members or commissioners of State Boards and Commissions should be budgeted from this classification.**
- **CONFERENCE FEES AND TRAVEL:** (Commitment Item 505:00:09) This classification is limited to the costs of an employee attending a conference, seminar or training program. All costs of State hosted or sponsored conferences, seminars and training programs are paid from the Conference Fees and Travel classification.
- **PROFESSIONAL FEES AND SERVICES:** (Commitment Item 506:00:10). All Professional Services, regardless of dollar amount, should be budgeted in and paid from the Professional Fees and Services classification. Honorarium costs are included in this classification.
- **CAPITAL OUTLAY:** (Commitment Item 512:00:11). This classification includes purchase of land, buildings, equipment, furniture, fixtures, and contractual agreements that are capitalized. **All capital leases should be budgeted under Capital Outlay. If current leases are determined to be capital leases, the property should be capitalized and placed in inventory and tagged immediately.**

- **DATA PROCESSING:** (*Services only*) - (Commitment Item 509:00:12). The Data Processing classification is used for the purchase of Data Processing services from the Department of Information Systems, or others. Programming, systems analysis work, data entry, and processing charges should be included in this classification.

Agencies should contact the DFA - Office of Accounting, 682-1675, for questions relating to classification of expenditures.

If an agency determines a **Budget Classification Transfer** is required for the completion of the Fiscal Year 2005 Annual Operations Plan, the computer generated Detail Budget should be completed as the agency intends to expend the funds. (The Detail Budget should reflect the effect of the BCT. However, the Agency Validation should be reduced by a corresponding amount pending approval of the Chief Fiscal Officer of the State and review by the Legislative Council.) The Budget Classification Transfer (AASIS 015) form must be sent to the Office of Budget with the Annual Operations Plan to balance the Detail Budget to amounts on the Agency Validation layout when final submission is complete.

The Actual Expenditures column on the BCT Form should be completed for each commitment item for which there were expenditures in Fiscal Year 2004. For BCT requests submitted with the Annual Operations Plan prior to June 30, 2004, use year-to-date total expenditures through April 30, 2004. For BCT requests submitted after July 1, 2004, use June 30, 2004 final expenditures.

PLEASE NOTE: If the Budget Classification Transfer is requested to accommodate part of an agency's Information Technology (IT) Plan (this could include hardware, software, training, or contract services), the request will be routed by the Office of Budget to the Office of Information Technology for compliance review. The "Reason for Transfer" statement must include the location (section and page numbers) in the Information Technology Plan that references the requested transfer item.

Please contact your Budget Analyst at 682-1941 for additional information or assistance. Form can be downloaded from Office of Budget website (example attached).

It is not necessary for PBB agencies to use the Budget Classification Transfer process.

ARKANSAS ADMINISTRATION STATEWIDE INFORMATION SYSTEM
REQUEST FOR BUDGET CLASSIFICATION TRANSFERS
AASIS 015

Business Area: _____ Business Area Title: _____
 Funds Center: _____ Funds Center Title: _____
 Fund Code: _____ Fund Title: _____
 Functional Area: _____

ACTUAL EXPENDITURES FY _____	FROM				TO		
	CI	FUND	PERIOD	AMOUNT	CI	FUND	PERIOD
502:00:02 Operating Expense _____	_____	_____	_____	_____	_____	_____	_____
505:00:09 Conf. Fees & Travel _____	_____	_____	_____	_____	_____	_____	_____
506:00:10 Prof. Fees & Serv. _____	_____	_____	_____	_____	_____	_____	_____
512:00:11 Capital Outlay _____	_____	_____	_____	_____	_____	_____	_____
509:00:12 Data Processing _____	_____	_____	_____	_____	_____	_____	_____

REASON FOR TRANSFER: _____

 AGENCY APPROVAL

 BUDGET APPROVAL

 OIT APPROVAL (if applicable**)

B = Blocked

*Transfers may not be made from Commitment item 512:00:11 and 509:00:12 to other Maintenance & Operation Characters (A.C.A. 19-4-522(C)(1))

**Transfers requested for purchase of information technology related items must be in compliance with Technology Plans submitted to OIT.

FISCAL MONITORING PROCEDURES

A major responsibility of State Agency administrators is to maintain a working knowledge of the fiscal and programmatic affairs of the agency. The Agency Director and Fiscal Officer are responsible for assuring sufficient funds are available to support a budget with continued monitoring of fund receipts and expenditures and making appropriate adjustments when it is apparent that funds are insufficient and expenditures may exceed funds. Further, it is the responsibility of the Director and Fiscal Officer to comply with provisions of the General Accounting and Budgetary Procedures Act cited in A.C.A. §19-4-102 (a)(2)(B) which prohibits deficit spending, A.C.A. §19-4-704 which prohibits an agency from incurring any obligations without appropriation, and A.C.A. §19-4-705 (a) which prohibits obligations unless there are funds available for payment of the obligations.

The Fiscal Monitoring Form (example attached) has been automated in PBAS. Agencies that do not have system access to PBAS will coordinate entry of monitoring procedures with the Office of Budget Analyst assigned to assist the agency. Agencies must print the report from PBAS, sign and submit with Annual Operations Plan.

FISCAL MONITORING PROCEDURES

2005 FISCAL YEAR

Business Area/Code

DFA - MANAGEMENT SERVICES/0610

In the following sections please describe the procedures that your agency will use to monitor budgeted revenue and expenditures / obligations to insure that appropriate fiscal controls are in place to safeguard against deficit spending.

Revenue Monitoring Procedures:

All funds are monitored on a regular basis. Federal Funds, Special Revenue Funds, and Internal Service Funds are reviewed more frequently. Special monitoring reports prepared on a regular basis and as needed. Revenue and expenditure reports are furnished to program managers for review.

Expenditure / Obligations Monitoring Procedures:

All funds are monitored on a regular basis. Federal Funds, Special Revenue Funds, and Internal Service Funds are reviewed more frequently. Special monitoring reports prepared on a regular basis and as needed. Revenue and expenditure reports are furnished to program managers for review. All funds are monitored on a regular basis. Federal Funds, Special Revenue Funds, and Internal Service Funds are reviewed more frequently. Special monitoring reports prepared on a regular basis and as needed. Revenue and expenditure reports are furnished to program managers for review. All funds are monitored on a regular basis.

Agency Fiscal Officer

Date

Agency Director

Date

STATE AGENCY PUBLICATIONS LISTING

A.C.A §25-1-204 requires a reduction in unsolicited publications published and distributed by State agencies. Each agency is required to submit with each annual budget request, a list of state publications, which are required by statutory law and provide the reason(s) for continuation and distribution of the required reports. An example of the form is attached.

The State Agency Publications Form (example attached) has been automated in PBAS. Agencies that do not have system access to PBAS will coordinate entry of the agency's publications with the Office of Budget Analyst assigned to assist the agency. Agencies must print the report from PBAS and submit with Annual Operations Plan.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM
STATE AGENCY PUBLICATIONS
Fiscal Year 2004 - 2005
Required by A.C.A. 25-1-204

AGENCY 0610 DFA - MANAGEMENT SERVICES

Name of Publication	Statutory Authorization	Required for		# of Copies Published	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
Annual Budget Instruction Packet	None	No	No	275	Assist State Agencies in the preparation of annual operations plan.
Biennial Budget Instruction Packet	A.C.A. 19-4-304	No	No	275	Provide information and assistance to state agencies in the preparation of biennial budget requests.
Biennial Budget Manuals	A.C.A. 19-4-305	Yes	No	2,371	Compile agency requests and Governor's recommendations for Legislative Council/Joint Budget Committee.
Facts about the Arkansas State Budget	None	No	No	1,500	Informational brochure for the public.
Biennial Budget Book	None	No	No	400	Contains detailed information regarding agency changes, funding and positions for each agency, as well as capital projects.

FUND BALANCE EXPENDITURE PLAN

Several agency appropriation acts include special language requiring approval from the Chief Fiscal Officer of the State for proposed expenditures that would cause the fund balance in certain funds to decline below an amount specified in the appropriation act. Documentation requesting approval of expenditures exceeding that amount shall include the following:

- A plan that clearly indicated the specific fiscal impact of such expenditures on the fund balance.
- Information clearly indicating and explaining what programs would be cut or any other measures to be taken by the agency to restore the fund balance.
- The extent to which any of the planned expenditures are for one-time costs or one-time purchase of capital items.
- A statement certifying that the expenditure of fund balances will not jeopardize the financial health of the agency, nor result in a permanent depletion of the fund balance.

The Chief Fiscal Officer of the State will approve or disapprove all or any part of the request after having sought prior review by the Legislative Council.

Agencies should develop an Annual Operations Plan that minimizes the necessity to spend in excess of the limitations in the Act.

The following form has been developed to assist agencies in complying with this restriction and can be downloaded from the Office of Budget website (example attached).

FUND BALANCE EXPENDITURE PLAN
2003 - 2005 Biennium

AGENCY NAME : _____

FUND CODE/NAME: _____

MONTH IN WHICH BALANCE WILL FALL BELOW SPECIFIED AMOUNT: _____

Specified Balance: _____	Month End Balance: _____	Difference: _____
---------------------------------	-------------------------------------	--------------------------

The 84th General Assembly placed special language in some agency appropriation acts that requires prior approval by the Chief Fiscal Officer of the State and prior review by the Legislative Council before expenditures are made that would deplete the balance of certain funds below a specified amount found in the Act.

Fund Balance Expenditure Plan:

What is the specific impact of the expenditures on the fund balance? _____

Will the fund balance be restored? If so, how? _____

Are the expenditures for one-time costs or the one-time purchase of capitalized items ?
Explain: _____

Statement certifying that the expenditure of the fund balance will not jeopardize the financial health of the agency or result in the permanent depletion of the fund balance:

_____ Agency Fiscal Officer/Date	_____ Agency Director/Date
--	--------------------------------------

Arkansas Legislative Council:	<input type="checkbox"/> Reviewed	<input type="checkbox"/> Not Reviewed	_____ Date
--------------------------------------	---	---	----------------------

Chief Fiscal Officer of the State:	<input type="checkbox"/> Approved	<input type="checkbox"/> Disapproved	_____ Date
---	---	--	----------------------